



Introduction to Diodes Incorporated

Toulouse, France

May 2023

This presentation contains Diodes proprietary and confidential information



www.diodes.com

- ❑ Diodes Incorporated (DIOD) is a US public company, with HQ in Plano, Texas, USA
- ❑ We are an integrated design manufacturer (IDM) with operations in US, Europe and Asia
- ❑ We plan to integrate the Toulouse site into Analog Business Group, Power Management Products Division*
 - Position Toulouse site as the Power Management Center of Excellence for Diodes
 - Focus on automotive products and customers

Agenda

- Company Overview
- Introduction to PMP Organization, Leadership and Product Roadmap
- Proposed Plan for Toulouse site

About Diodes Incorporated

Diodes delivers high-quality (discrete, analog, and mixed signal) semiconductor products to the world's leading companies in the automotive, industrial, computing, consumer electronics, and communications markets



Vision: Profitability Growth to Maximize Shareholder Value

Our Core Values: Integrity, Commitment, Innovation

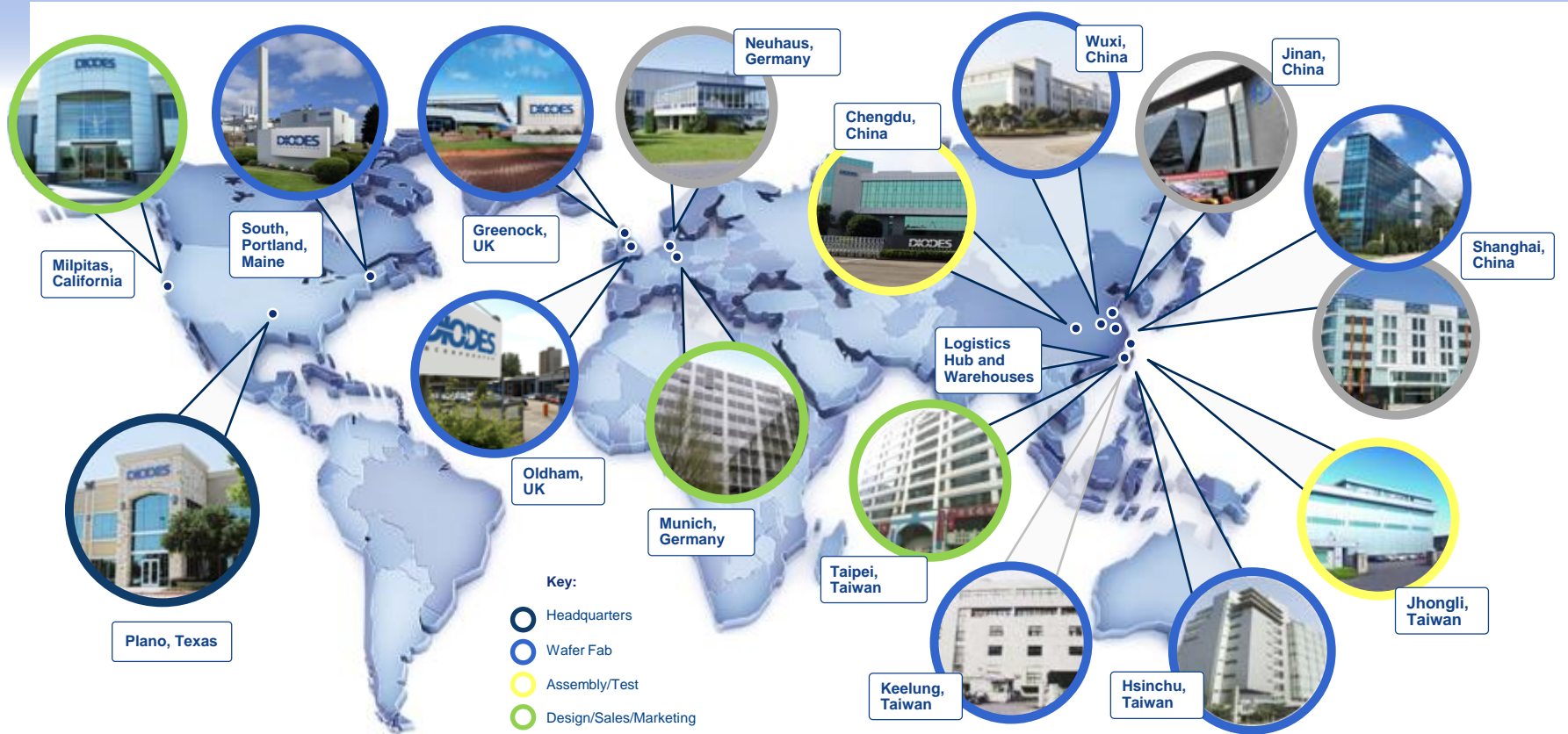
Key Milestones of Diodes' Evolution

- **1959:** Formed as regional semiconductor trading company
Few years after TI produced its first silicon transistor (1954); same year Fairchild produced the first monolithic IC
- **1990 onwards:** started transformation into a fully integrated manufacturing and distribution company
 - 1991 Lite On Semi (LSC) investment in Diodes → Access to Asia & financial resources for expansion
 - 1995 Opened first assembly & test factory in Shanghai, China
 - 1997 Vishay/Lite-On Power Semi "Vishay/LPSC" JV (end 2000) → Global distribution network, incl Europe
 - 2000 First own wafer fab (FabTech/KFAB in US)
- **2006 onwards:** transition from organic growth to combination with acquisitions, expansion into Analog
 - 2006 Anachip Corp (Taiwan fabless) → First entry into the Analog market
 - 2008 Zetex plc in the UK (OFAB) → Wafer fab in UK, strong in Europe & Auto, LED driver
 - 2013 BCD Semiconductor (SFAB 1+2) → First 8" fab (Shanghai, plus 6"), strengthen Analog
 - 2015 Pericom Semiconductor → Expansion into Mixed-signal
 - 2019 GFAB (TI fab in Scotland) → First 8" fab outside China
 - 2020 Lite-On Semiconductor (LSC)
 - 2022 onsemi's South Portland Fab (SPFAB) → 8" fab outside China/Taiwan



- **Transition from a trading company to a fully integrated manufacturing company**
- **Migration from discrete into Analog and Mixed-signal**
- **Expand focus towards Automotive and Industrial**

Global Organization



Our Sustainability Commitment

We view sustainability as a competitive advantage and have adopted a sustainability-oriented approach to assess and address related risks that may influence our operational activities, business results, and financial performance.



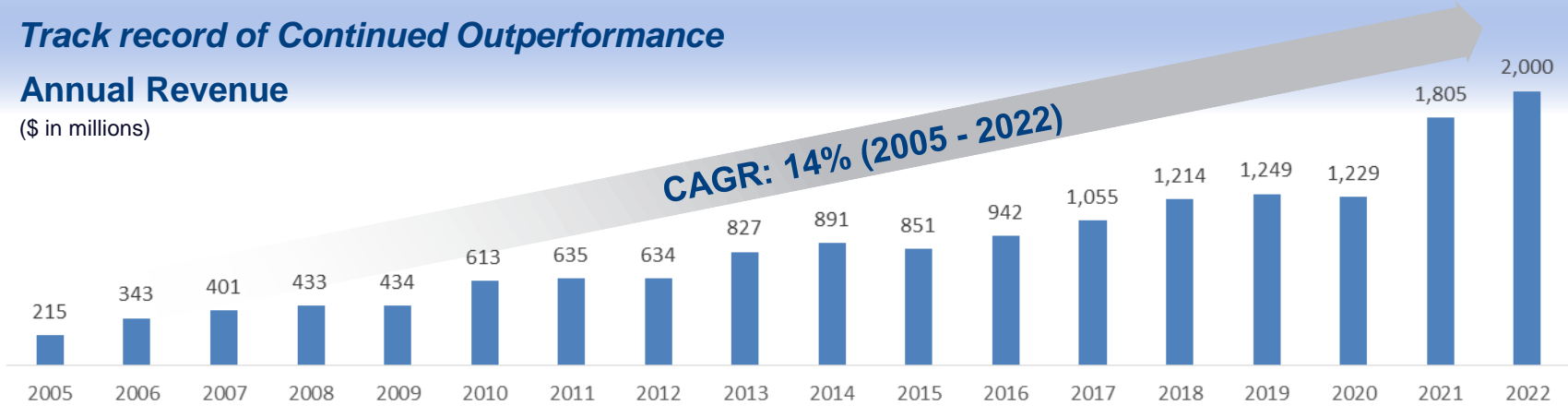
- Key focus areas regularly reviewed by our Board of Directors
- Instituted a cross-functional Sustainability Steering Team to address the sustainability related risks and opportunities
- The Sustainability Steering Team provides periodic updates to the Board of Directors

Expanding Profitability Growth

Track record of Continued Outperformance

Annual Revenue

(\$ in millions)



Gross Profit

(\$ in millions)



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Vision: Create Shareholder Value

- **Goal 1: \$1B Market Cap**
- **Goal 2: \$1B Annual Revenue**
- **Goal 3: \$1B Gross Profit**
- **Goal 4: \$1B Profit Before Tax**

✓ 2010

✓ 2017

● \$1B PBT


● \$1B Gross Profit

✓ \$1B Revenue

✓ \$1B Market Cap

Revenue doubled from 2017 to 2022

Corporate Organization




Keh-Shew Lu
Chairman, President and CEO



Brett Whitmire
CFO



Gary Yu
COO



Emily Yang
SVP Sales &
Marketing



Rick White
Corporate Secretary
Special Asst to CEO

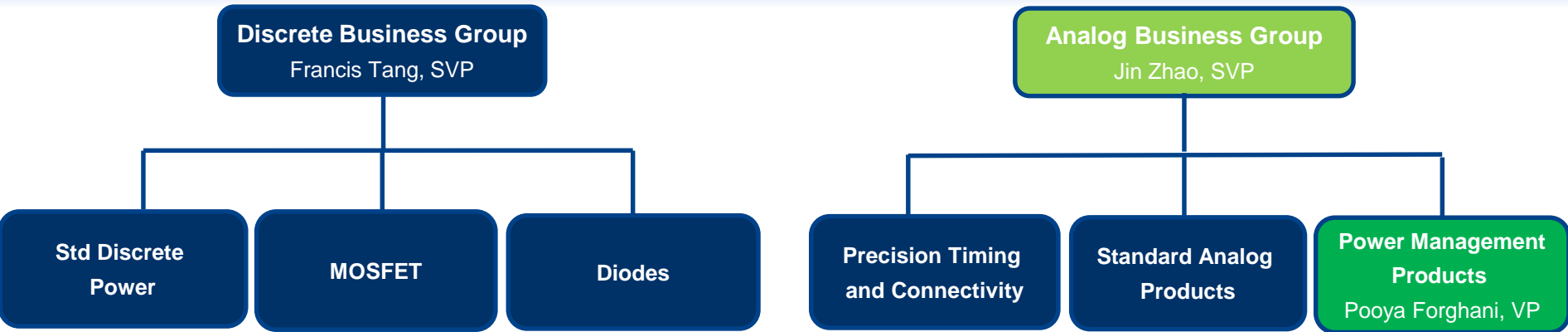


Andy Tsong
Asia President



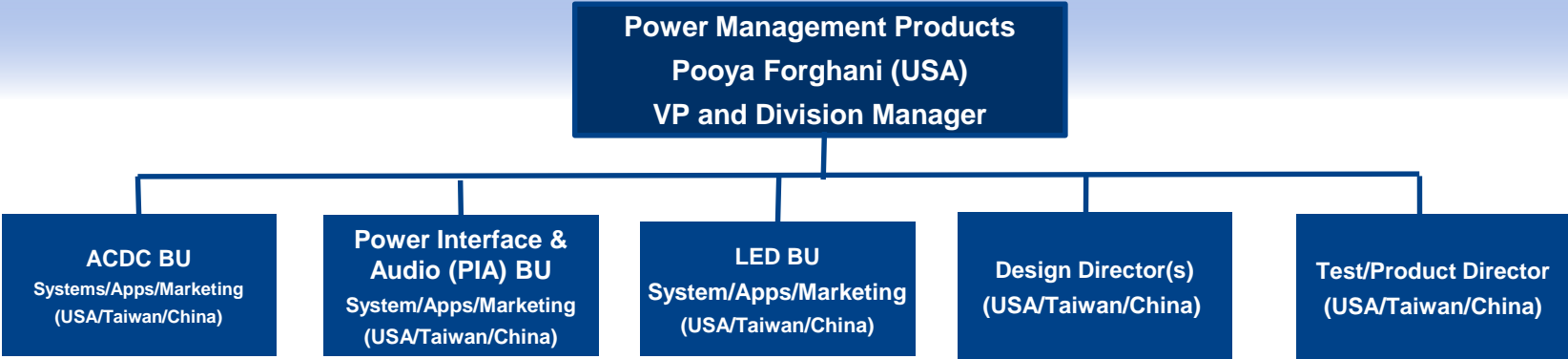
Tim Monaghan
Europe President





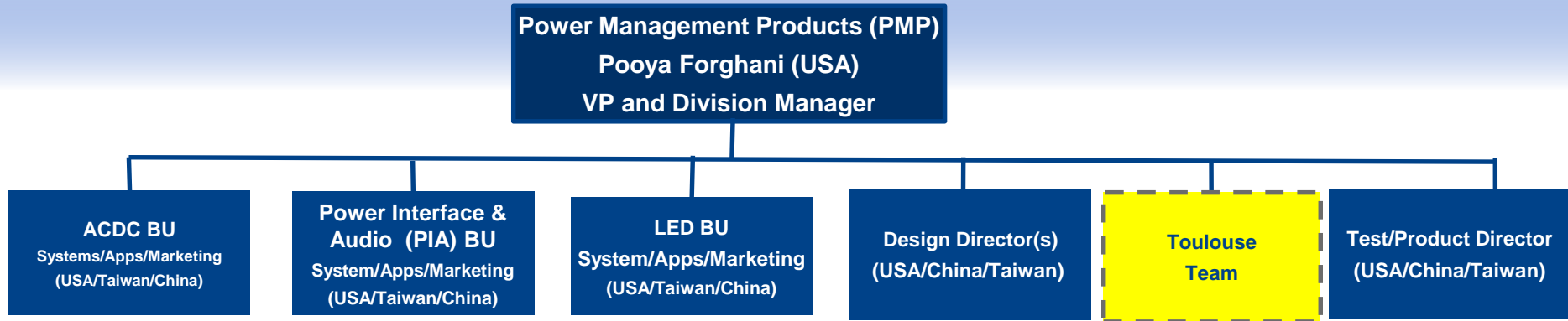
Diodes is investing in Power Management Products as a key growth area

Power Management Products (PMP) Division



A Global Engineering Organization

Draft Integration Proposal – Org Structure



- Toulouse Technical Team is expected to report to PMP Division Leader - Pooya Forghani, VP
 - No change to the department structures is planned initially
 - Over time, will look at aligning teams along lines of expertise to leverage global synergies across Diodes
- Marketing/Technical Marketing/Apps are expected to be assigned to support LED and PIA Business Units
- Test and validation teams expected to dotted line report to PMP Test/Product Engineering Director
- Toulouse G&A functions (Finance/HR/IT/ Facilities) expected to report into EMEA regional functional leaders which are part of the global leadership team

Power Management Products Global Organization



- **2023 – Now** **Diodes Incorporated**
VP and Division Manager for Power Management Products

- **2005- 2023** **Texas Instruments**
2021-2023 General Manager, Low Power Audio products
2017-2020 General Manager, Custom Apple, Sensing and Interface products
2016-2017 Engineering Manager, Standard Linear and Logic
2009-2013 Design Manager, Line Power Analog
2013-2016 Design Manager, USB-PD/Type C, Custom Touch, Interface IC
2005-2009 Power and analog design engineer – custom power products

- **2001-2005** **Georgia Tech, PhD power and analog design**



A growing portfolio of Power Management & Analog Products

Power Management IC

- ❖ Power Rail Management:
 - DCDC Converter
 - Linear and LDO Regulators
 - Power Switches
- ❖ USB Power Management
 - USB Type-A/-C Charging Control
 - USB PD Protocol Decoder
- ❖ LED Drivers
- ❖ Application Specific
 - Ideal-diode Controller
 - Motor Control
- Audio products

Standard IC

- ❖ Hall Sensors
- ❖ Standard Linear:
 - Current Monitors
 - Operational Amplifiers
 - Comparators
 - Linear Regulators
 - Voltage References
- ❖ Standard Logic:
 - Single Gate
 - Level Shifters/ Translators

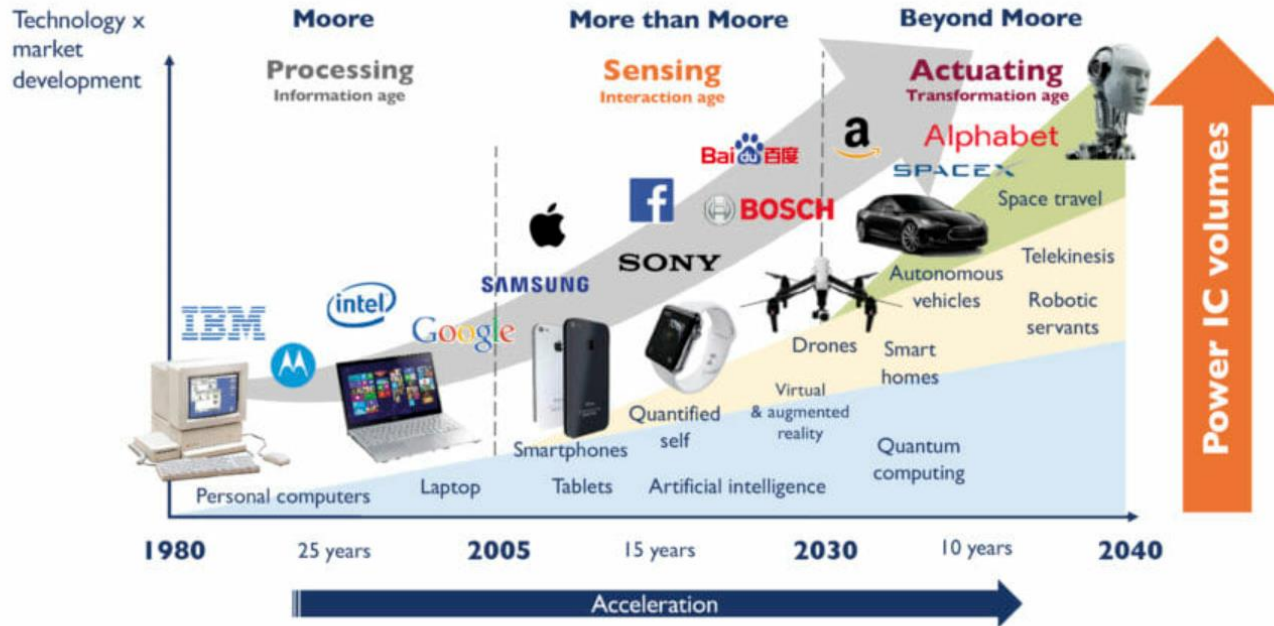
Timing & Connectivity

- ❖ Timing:
 - Crystal & XO
 - PCIe Clock Generators
 - Clock Buffer
- ❖ Connectivity:
 - PCIe Packet Switch
 - USB/Type-C Switch
 - ReDriver
 - HDMI Switch/Splitter
 - Bus Switch, Audio Switch
 - I/O Expander

1980-2040 power IC volumes vs. global technology roadmap

(Source: Status of Power IC: Technology, Industry and Trends report, Yole Développement, 2021)

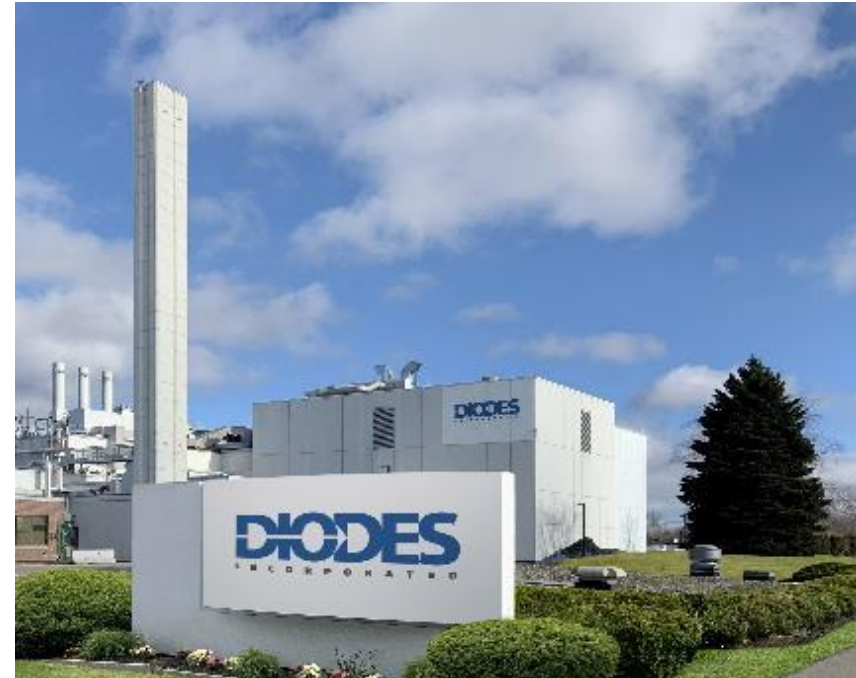
2021 TAM: ~\$30B
 2030 TAM: ~\$50B
 CAGR: ~6%



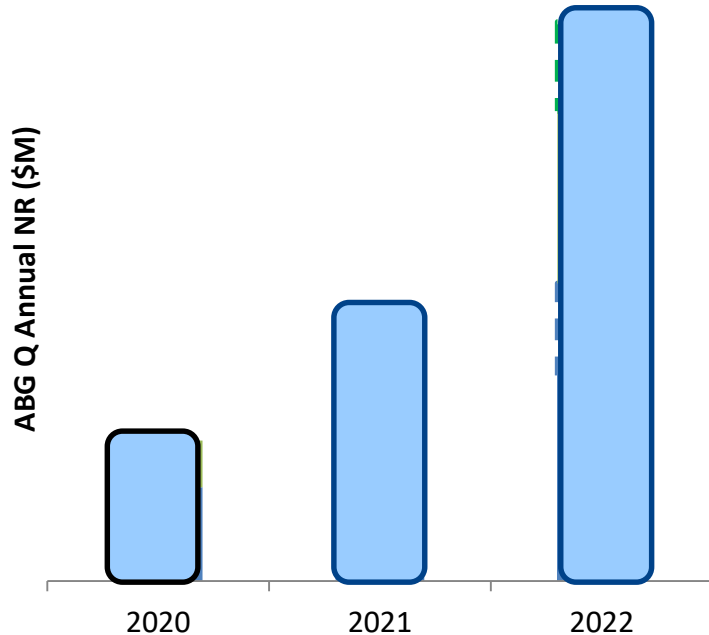
Diodes is investing in Power Management Products
 Expect to grow to \$1B business in the next decade

South Portland Fab (SPFAB) Maine

- Future destination for most of PMP new developments
 - LED, DCDC, ACDC, Audio, etc...
- Technology development team in place working on ramping DIODES BCD 0.18um technology
- Competitive cost structure with internal manufacturing
- Tight collaboration between Design and Technology Development team to enable high-performance, cost-optimized power management products

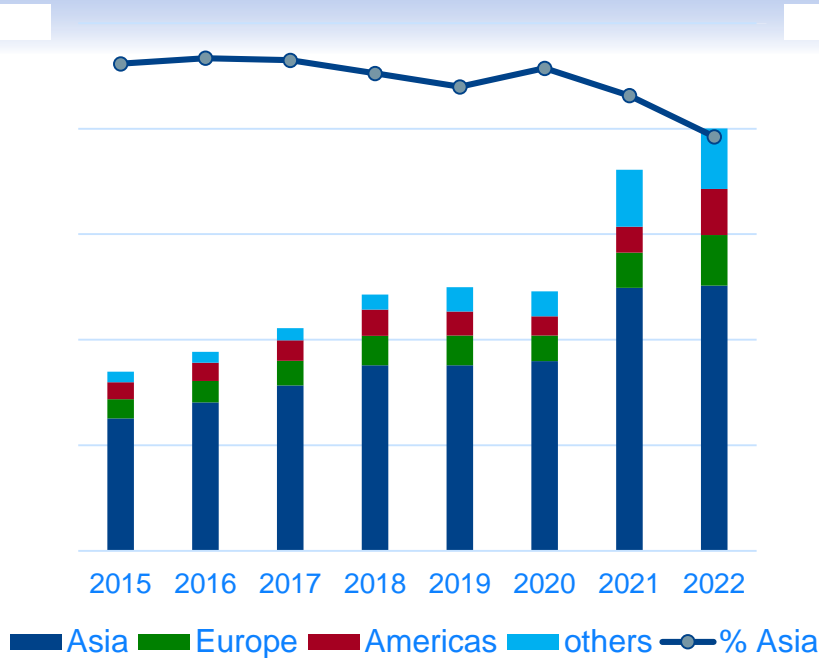


Former onsemi site

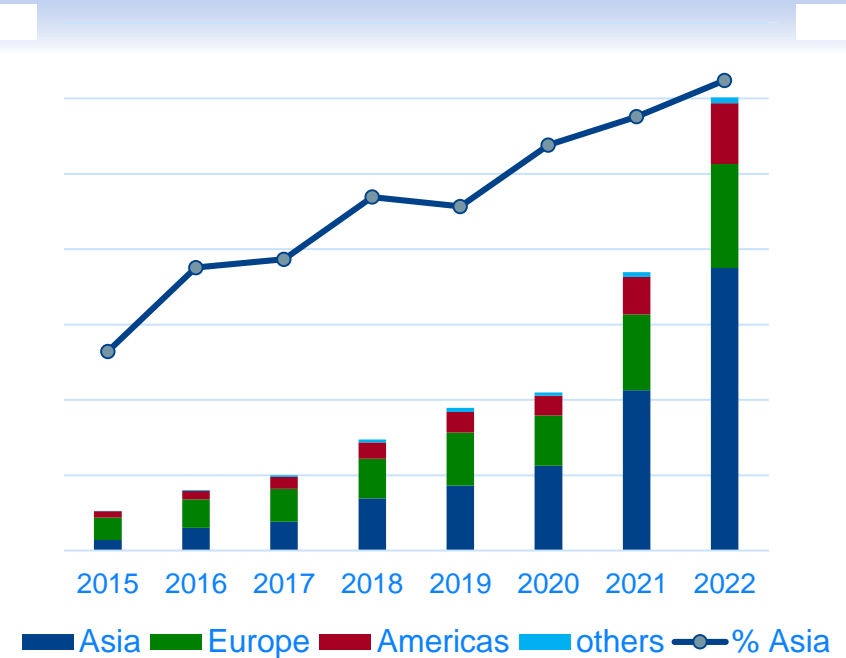


- › DIODES Analog Business Group (ABG) has been driving significant growth in the automotive market
- › ABG offers extensive portfolio of automotive compliant products
- › Portfolio focuses on performance improvement, functionality, safety, BOM reduction and PCB space saving
- › Supports pin-to-pin compatibility to reduce design change effort and help with supply continuity
- › Invest in wafer fab and assembly test capability and capacity to grow with automotive market and partners together

Total by Region

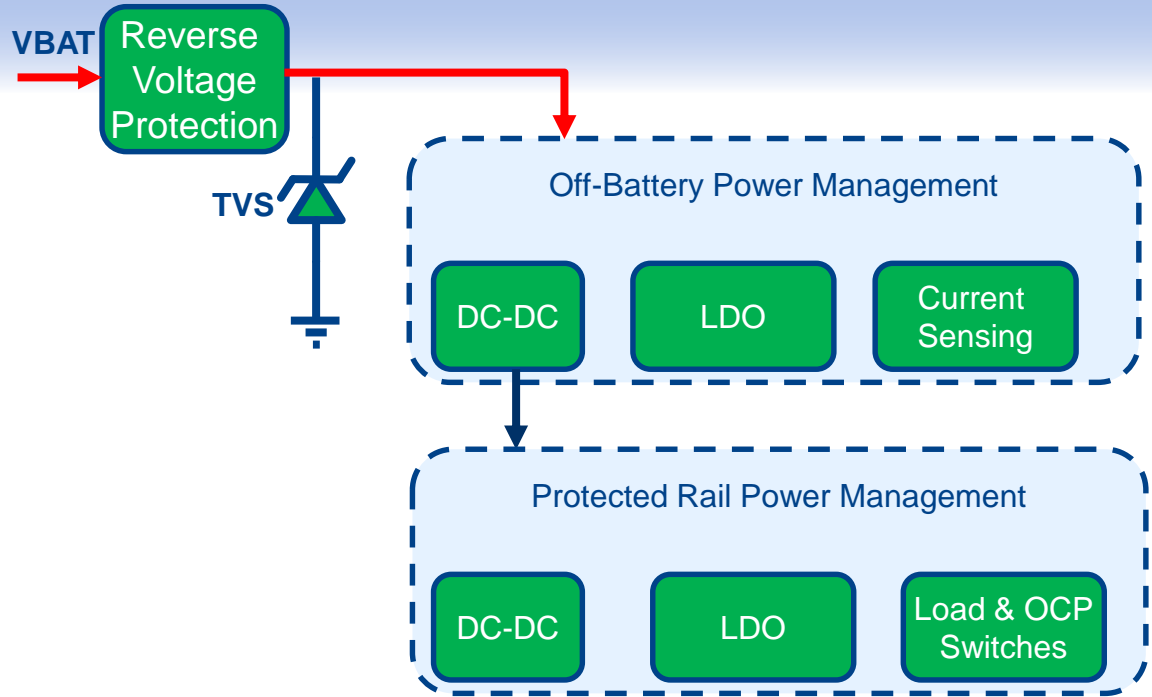


Automotive by Region



- *Europe & Americas drove growth overall while Asia starts to increase in automotive*
- *Accelerate growth with new automotive products for local customer base in China and global Tier-1 players in Europe and Americas*

Automotive Focus Power Management



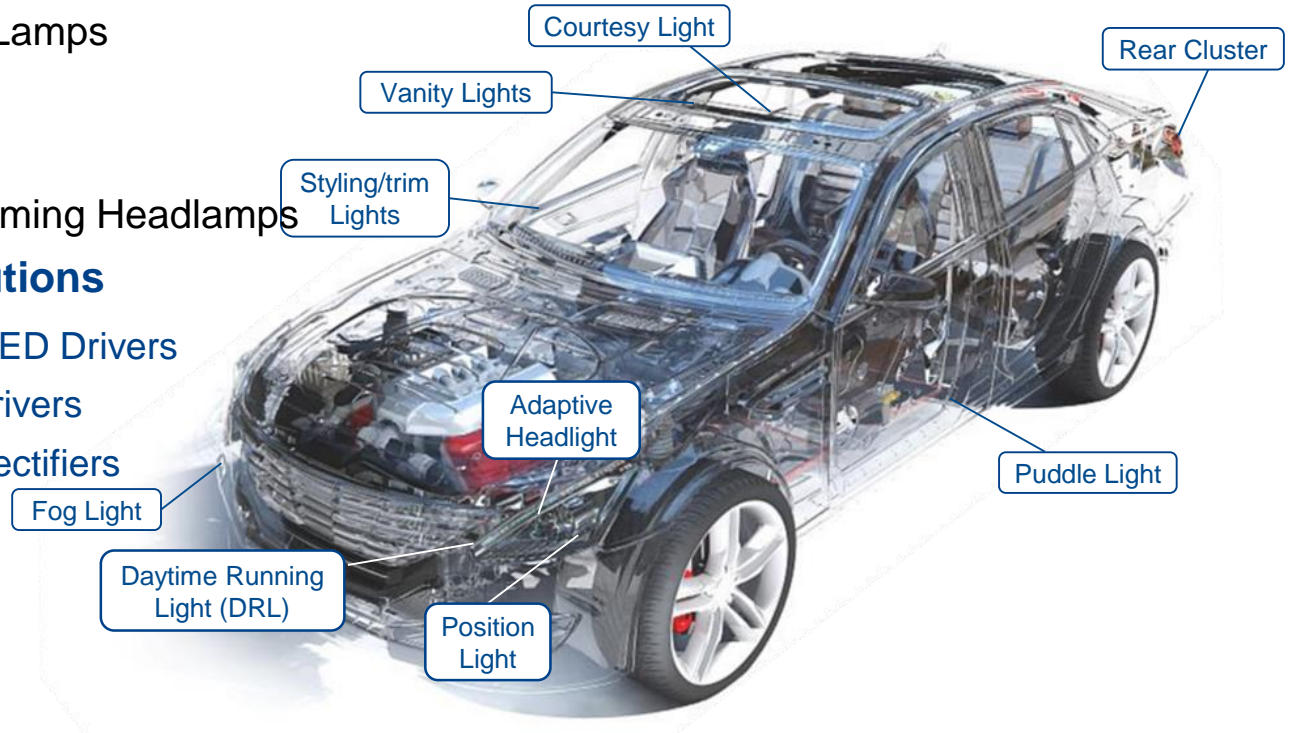
- 100V, 80V, 60V, 40V, and 32V Synchronous DC-DC Converters withstanding load dumps
- 100V, 80V, 60V and 40V LDOs Withstanding load dumps
- 80V, 60V & 40V overcurrent detection Precision current sensing in development
- 5.5V Synchronous DC-DC Converters High power density
- 5.5V High-PSRR LDOs
- I/O and Core voltage Load & overcurrent protected switches

Automotive Lighting – Moving to LED

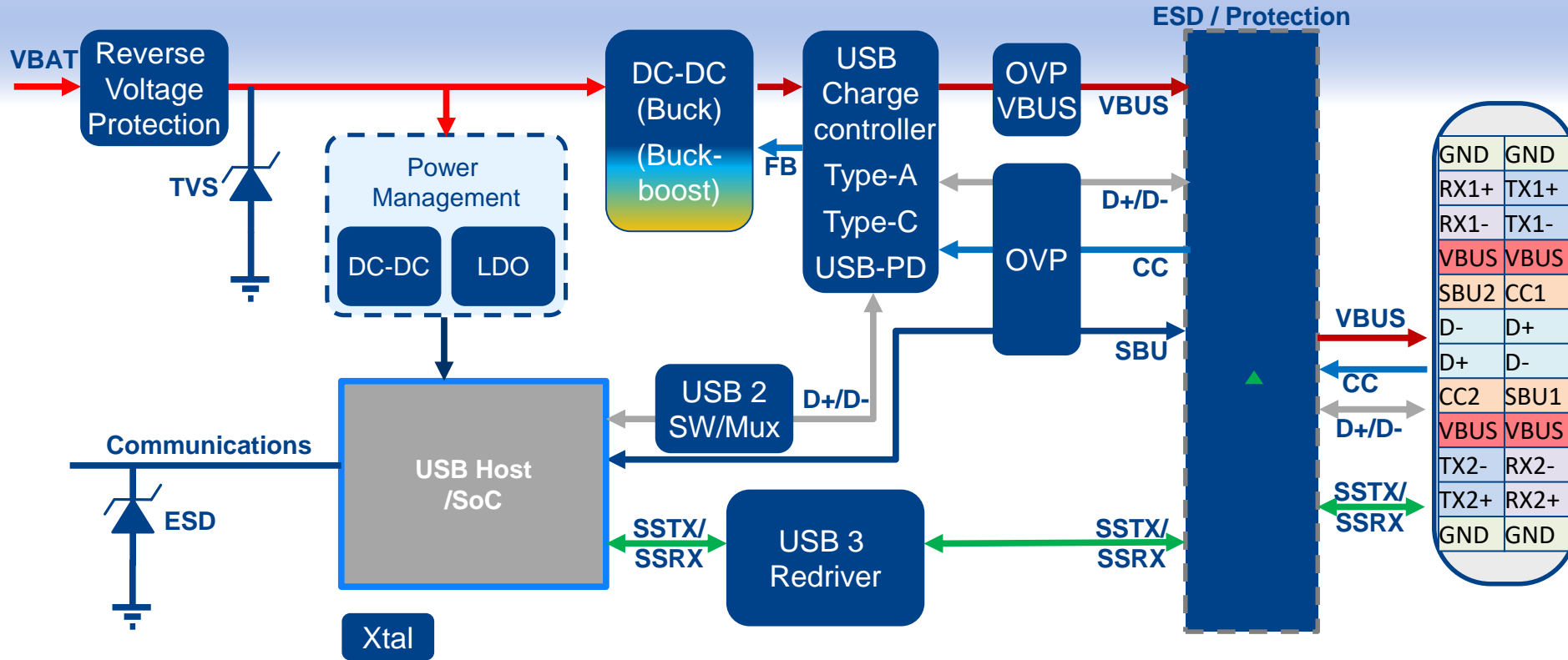
Penetration of LED lamps is growing across all car-classes

Efficiency and safety/reliability are key drivers

- Daytime Running Lamps
- Rear Lamps
- LED Headlamps
- Adaptive Beam forming Headlamps
- **Simple versatile solutions**
 - Buck-boost and Boost LED Drivers
 - Linear and Buck LED Drivers
 - MOSFETs, BJTs and Rectifiers
 - Crystals

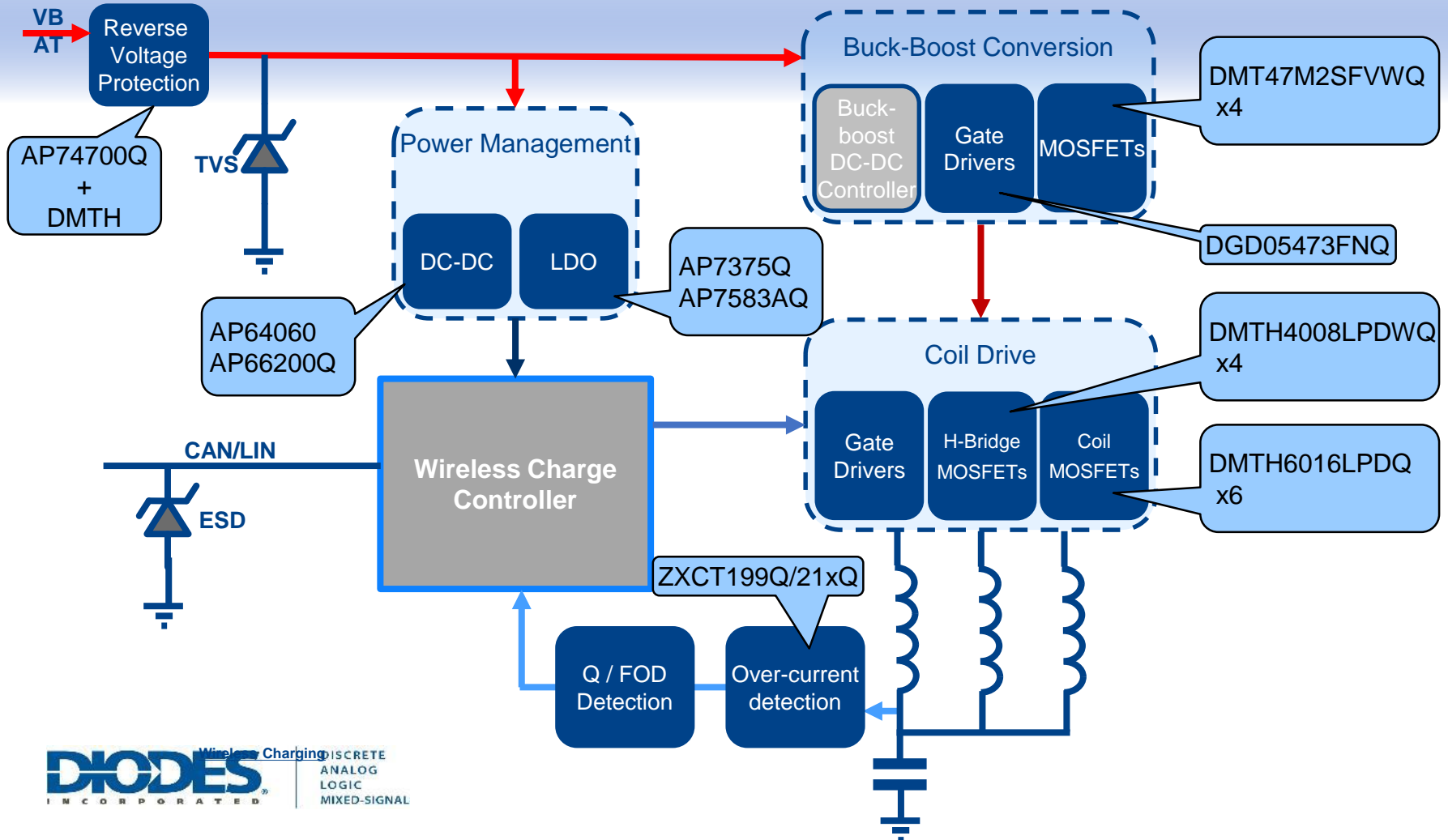


Diodes' Automotive USB Solutions



Production Development Roadmap

Diodes Wireless Charger solution



Vision:

- **Expand Diodes power management portfolio** by focusing on mixed-signal, higher-end catalog products
- Position Toulouse site to be the power management execution **Center of Excellence** in Diodes
- Drive design wins at leading **automotive customers** through **engineering excellence**

Proposed projects:

- LED drivers – auto market
- DCDC – High-current and multi-phase converters and controllers
- USB-PD EPR power and Wireless charging power
- Auto PMIC



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* Subject to completion of due diligence and site assessment, which are ongoing as of the date of this presentation

- **The value in this opportunity is the talent**
 - Our goal is to attract, retain, and develop the team to grow their careers with Diodes; the primary focus is the technical talents
 - If there are good talents outside of the Toulouse site, we plan to also attract them to strengthen our plan to position this site as the Power Management Center of Excellence for Diodes
 - Diodes culture welcomes and values experienced industry hires

- **Our Proposed Approach**
 - Engage in discussions with the Toulouse employees soon after this 5/11 works council meeting
 - We are prepared to meet with the entire employee population at the site (current count is 56) over the coming weeks
 - Extend offers to as many employees as possible if we determine that they will help us build and operate the Power Management Center of Excellence planned for this site
 - This employee pool include both technical and G&A functions
 - Plan to extend offers to a minimum of 30 employees
 - Prepared to increase the number of offers following our interviews with the remainder of the population if there is mutual interest
 - These offers to remain valid even if the asset deal is not concluded
 - The minimal acceptance rate of the offers in the LOI is only tied to the closing of the asset deal

- **Diodes Employment Agreements**
 - Individual offers – targeting end of June 2023, once Diodes legal entity is established, with a target start date of Sept 1, 2023
 - Compensation – base salary + bonus opportunity + some RSU participation
 - Benefit Plans – to be organized by newly formed legal entity in France
 - Work schedules – maintain status quo
 - These will be new hires for Diodes so we do not plan to recognize onsemi service records
 - We do not plan to require probation period

Come Join Our Global Organization



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Thank you

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